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COVER STORY

When Johnny comes marching home?

Military profits set company on new road

Moving from helicopter parts to medical devices

By Diane Weaver Dunne

ddunne@hbjournal.com

President George W. Bush may not have a plan for when the war ends in Iraq. Secretary of State Condoleezza Rice may not have a plan for what happens if the United States extricates itself from its police actions around the world.

But the end of the war is what keeps Glastonbury's Kristin Muschett up at night. Because when the war ends, so will most of her company's sales.

That's why her plan is to have a plan for when that happens.

Muschett is the president of Glastonbury-based Habco, a 35-year-old company that makes niche products for older pieces of military equipment. When she took over running the family business from her father in 1993, the 26-employee enterprise had about \$3 million a year in revenues. It was still at that level at the turn of the century.

And then the United States found itself on a war footing, and Habco found an incredible demand for its military aircraft products – such as a fuel-line tester for Sikorsky Aircraft's Black Hawk helicopter. Sales in that product category alone now account for \$5 million of Habco's \$8 million in annual revenue.

Currently, 80 percent of Habco's business is focused on the aerospace industry. And that, Muschett said, is something she is trying to change by expanding the manufacturer's reach to other, non-aerospace, commercial markets, such as manufacturing products that test medical instruments and power generation.

An example of that effort is Habco's development of a device to test hybrid fuel cell buses in California. The bright blue fuel stand would enable six fuel cell buses to be simultaneously tested. Testing is now done one at a time, she explained. The fuel cell stand is also designed to service stationary fuel cells as well.

Habco's core strength, Muschett



PHOTO/GREG MURPHY

Kristin Muschett, president of Glastonbury-based Habco, wants to diversify her company away from relying on military support products.

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explained, is its innovative engineering and extensive research and development, which is based on what her father, Henry August Backmann, originally envisioned for the company.

“My father saw the need to be more than a supply parts company, and saw a need for more testing, to become a company that made service [and] maintenance products,” she said. “We can build a new prototype in three weeks, which [the U.S. Army] thinks is amazing.”

Marketing And More

Muschett is looking for ways to sustain Habco's growth. It is on the verge of inking a deal with a large, multinational Connecticut-based company that would sell Habco's helicopter products to foreign and U.S. military markets. The deal could represent an annual 25 percent growth in Habco's helicopter product line, doubling its helicopter product sales in four years, she explained.

Although Muschett majored in mass communications and minored in women's studies at the University of Hartford, she learned her business sense from “growing up” in her father's company. And her business know-how is guiding her strategy to diversify and grow Habco's core competencies in order to sustain its growth.

With her eye on the future, Muschett has engaged CONNSTEP (Connecticut State Technology Extension Program), to help develop a marketing plan for the company in order to diversify its products and serve new customers. CONNSTEP is a state program that provides support services to state manufacturers.

She hopes the marketing plan will help the company better define its core competencies and define what really makes it unique. “It will provide us with information that cuts through the buzz words and finds out really what our customers think about us,” she said.

Marketing projects such as this are difficult for small businesses to conduct, Muschett said, noting that CONNSTEP's expertise has been invaluable.

Jack Crane, a field engineer and marketing specialist who is working with Muschett on creating

Habco's marketing plan, said it is not unusual for a small manufacturer to recognize the need for such a plan, but it is unusual for a manufacturer to do something about it.

“The good news is that most manufacturers realize this. The bad news in 2006,” he added, “is that most can't afford to do [a marketing plan] correctly.”

*‘We can build
a new prototype
in three weeks...’*

—Kristin Muschett,

President and CEO, Habco

War Zone Fans

If Muschett can get non-military buyers to be as ardent about her products as soliders are in Iraq, she will have nothing to worry about. In the military, there is a grass-roots demand for some of Habco's products. Muschett has received e-mails from individuals deployed in Iraq, asking her about several of the company's products.

One such product that has prompted inquiries from troops is Habco's new transmission oil servicing unit cart. Through its oil lubricant filtration system, the cart extends the life of aircraft transmissions up to 300 percent, according to field tests.

Another product under development, a tire cage, finally received the nod for government testing after an Army corporal saw the product at a trade show. The tire cage, which Muschett received a request for from a military maintenance supervisor deployed in Iraq, allows tires on helicopters and other military vehicles to be safely inflated and serviced while in the field. The need for the tire cage was demonstrated by the death of a soldier in Iraq when a tire exploded as it was being inflated. Habco's tire cage prevents that from happening, Muschett said.

Although there is demand for the tire cage, Habco can not sell it to the U.S. Army until government testing has been completed. ■



PHOTOS/GREG MURPHY



Kristin Muschett, above, president of Glastonbury-based Habco, observes the production of the company's products. At left is Habco employee Peter Roy, a welder and fabricator, who is working on an oil recycling part.